

Housing Authority - County of Los Angeles

June 17, 2009

To: Each Supervisor

From: Sean Rogan, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations, which is included herein.

Corrective Action Plan (CAP) for FYE 2008

HACoLA was rated a standard performer for this period, but is required to submit corrective action items to improve the accuracy and timeliness of annual reexaminations. A response is due to HUD by June 26, 2009.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. In a letter dated May 15, 2009, HUD indicated that 10 strategies remain open. HACoLA submitted a response on June 15, 2009, addressing all 10 items. Once all the strategies are approved, the Section 8 Program will be removed from its "Troubled" status rating for FYE 2007.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed.

Reexaminations

As of June 12, 2009, the HACoLA internal tracking system (Yardi) reflects 1,353 delinquent reexaminations out of 15,307 based on reexaminations that were due within 12 months from that point in time. The 1,353 delinquencies consist of 653 reexaminations to be completed by HACoLA, and 700 to be completed by McKay Management Services (see attached report).

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

As of May 31, 2009, the HUD Public Housing Information Center (PIC) reflects 1,104 delinquent reexaminations out of 18,613 active contracts in the system based on a 14-month cycle. The 18,613 reflects all active contracts in the system, regardless of whether a reexamination is due or not. On July 5, 2009, HACoLA will provide the Board recommendations on the annual reexamination process to prevent future backlogs.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution, payments beginning on April 30, 2009 and ending on January 31, 2012. The second quarterly payment of \$83,333.33 is due July 31, 2009.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on April 24, 2009. The report recommended that the Director of HUD's Los Angeles Office of Public Housing require HACoLA to repay the Section 8 Program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009, recommending that HACoLA repay the Section 8 program \$2,953,443 from nonfederal funds for over allocations that were charged to the Program.

On June 16, 2009, your Board approved the resolution to repay the entire amount. Repayment by June 30, 2009 will close this finding.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 747 families because 35 of the original 782 families have graduated from the program. We are not required to replace the 35 families. Our internal reporting rate reflects 460 families enrolled out of 747 (61.6% rate), with 148 families (32.2% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has not made any referrals to the VASH Program. HACoLA has provided the DMVA with 25 Section 8 Homeless Set-Aside Program vouchers, in addition to the previous 50.

On June 12, 2009, HUD invited HACoLA to apply for 280 VASH vouchers. HACoLA responded by submitting an application on June 14, 2009.

Section 8 Call Center

The call center averaged 2,289 calls per week and 9,154 total calls for the period of May 12 through June 9, 2009. The average wait time was 2 minutes, 14 seconds.

Los Angeles Housing Resource Center

For a 28-day period between May 11 and June 8, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,420 total listings; there were 5,748 landlords who provided property listings, and 129,865 housing searches were conducted.

Please contact me if you have any questions or need additional information.

SR:MB:ML:dt

Attachment

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



6/12/2009 ANNUAL REEXAMINATIONS

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